

# 2012 Clinton County Property Tax Report with Comparison to 2011

Legislative Services Agency

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This report describes property tax changes in Clinton County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Clinton County the average tax bill for all taxpayers increased 4.1%. This tax bill rise was the result of a decrease in locally funded homestead credits and a reduction in circuit breaker credits. The tax levy of all local government units rose by only 0.1%, and certified net assessed value increased by 1.9%. Agricultural assessments increased and nonagricultural assessments declined, which may have been a legacy of the recession. A net assessed value increase that exceeded the levy rise caused Clinton County's average tax rate to fall. Tax cap credits as a percent of the levy fell by 1.0%, in Clinton County in 2012.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	4.1%	\$30,293,549	\$1,392,473,475	9.9%
Change		0.1%	1.9%	-1.0%
2011	5.3%	\$30,270,282	\$1,365,960,991	10.9%

## Homestead Property Taxes

Homestead property taxes increased 6.0% on average in Clinton County in 2012. Tax rates in a majority of Clinton County tax districts increased, though the county average tax rate decreased by 1.8%. Clinton County's local homestead credit rate decreased significantly in 2012, which caused the homestead tax bill increase despite the lower average tax rate. The percentage of Clinton County homesteads at their tax caps rose from 4.9% in 2011 to 6.0% in 2012.

## Net Tax Bill Changes - All Property Types

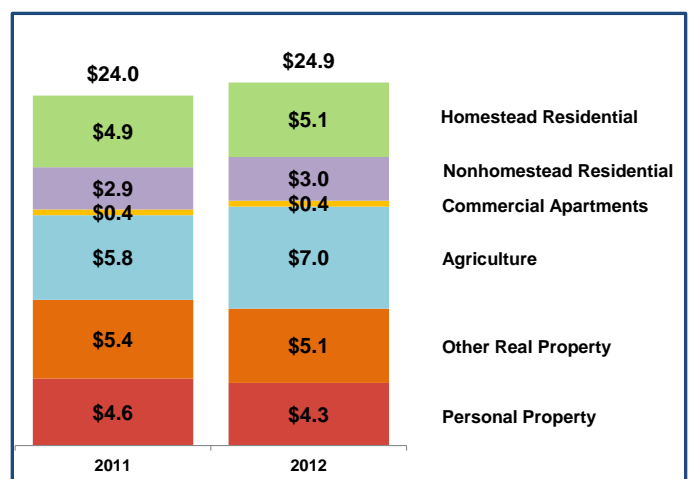
The largest part of Clinton County's 2012 net property taxes were paid by business owners on their land and buildings (other real) and business equipment (personal), by owners of agricultural property, and by homeowners. Net tax bills for all taxpayers increased 4.1% in Clinton County in 2012. Net taxes were lower for commercial apartments, business real property, and personal property and higher for all other property categories. The increase for agricultural property was particularly large.

## Comparable Homestead Property Tax Changes in Clinton County

	2011 to 2012	
	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>		
Higher Tax Bill	5,826	67.8%
No Change	317	3.7%
Lower Tax Bill	2,451	28.5%
<b>Average Change in Tax Bill</b>	<b>6.0%</b>	
<b>Detailed Change in Tax Bill</b>		
20% or More	1,804	21.0%
10% to 19%	917	10.7%
1% to 9%	3,105	36.1%
0%	317	3.7%
-1% to -9%	1,578	18.4%
-10% to -19%	561	6.5%
-20% or More	312	3.6%
<b>Total</b>	<b>8,594</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

## Comparison of Net Property Tax by Property Type (In Millions)



## Tax Rates, Levies, and Assessed Values

Property tax rates increased in 11 of 20 Clinton County tax districts. The average tax rate fell by 1.8%, because the levy was nearly unchanged while net assessed value grew.

Levies in Clinton County increased slightly by 0.1%. Clinton Central School Corporation experienced the largest levy increase, due to increases in its debt service and capital projects funds. Frankfort Community School Corporation's debt service fund and school pension debt fund decreased.

Clinton County's total net assessed value increased 2.2% in 2012. Agricultural net assessments rose 14.3%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Combined nonagricultural net assessments fell 2.7%. This decline may be a lingering effect of the Great Recession.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$917,745,801	\$894,648,650	-2.5%	\$340,403,207	\$334,454,607	-1.7%
Other Residential	170,056,500	164,616,500	-3.2%	165,372,486	160,141,486	-3.2%
Ag Business/Land	395,364,000	452,200,800	14.4%	394,445,760	450,865,970	14.3%
Business Real/Personal	624,997,647	591,163,442	-5.4%	461,685,064	447,076,619	-3.2%
<b>Total</b>	<b>\$2,108,163,948</b>	<b>\$2,102,629,392</b>	<b>-0.3%</b>	<b>\$1,361,906,517</b>	<b>\$1,392,538,682</b>	<b>2.2%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

## Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Clinton County were \$3.0 million, or 9.9% of the levy. This was near the state average percentage of the levy of 9.2%, but more than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits. Clinton County's tax rates were less than the state average, but one taxing district with large other residential and business assessments had a rate just short of \$4 per \$100 assessed value.

Just more than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 3% business real and personal category. The largest percentage losses were in the city of Frankfort, the town of Colfax, and the Frankfort Airport, where district tax rates were above \$3 per \$100 assessed value. The largest dollar losses were in the city of Frankfort and the Frankfort School Corporation.

## Tax Cap Credits by Category

Tax cap credits decreased in Clinton County in 2012 by \$296,218, or 9.0%. The percentage of the levy lost to credits fell by 1.0%. There were no major changes in state policy to affect tax cap credits in 2012. Clinton County credits decreased mainly because the average county tax rate decreased.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$117,451	\$159,957	\$42,506	36.2%
2%	1,802,872	1,667,300	-135,572	-7.5%
3%	1,354,421	1,150,483	-203,938	-15.1%
Elderly	33,063	33,848	785	2.4%
<b>Total</b>	<b>\$3,307,806</b>	<b>\$3,011,588</b>	<b>-\$296,218</b>	<b>-9.0%</b>
<b>% of Levy</b>	<b>10.9%</b>	<b>9.9%</b>		<b>-1.0%</b>

### Clinton County Levy Comparison by Taxing Unit

Taxing Unit						% Change			
	2008	2009	2010	2011	2012	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
<i>County Total</i>	<i>39,367,312</i>	<i>27,590,913</i>	<i>28,500,062</i>	<i>30,270,282</i>	<i>30,293,549</i>	<i>-29.9%</i>	<i>3.3%</i>	<i>6.2%</i>	<i>0.1%</i>
State Unit	37,395	0	0	0	0	-100.0%			
Clinton County	6,464,597	6,364,215	6,347,643	6,534,758	6,703,367	-1.6%	-0.3%	2.9%	2.6%
Center Township	312,984	323,043	330,647	338,468	340,111	3.2%	2.4%	2.4%	0.5%
Forest Township	56,935	59,355	59,682	22,784	24,276	4.3%	0.6%	-61.8%	6.5%
Jackson Township	33,865	35,375	36,379	27,521	34,726	4.5%	2.8%	-24.3%	26.2%
Johnson Township	75,130	78,605	79,243	48,348	53,021	4.6%	0.8%	-39.0%	9.7%
Kirklin Township	44,794	47,013	46,998	72,843	83,055	5.0%	0.0%	55.0%	14.0%
Madison Township	48,483	50,742	50,438	51,529	53,090	4.7%	-0.6%	2.2%	3.0%
Michigan Township	56,155	83,895	79,731	193,444	202,045	49.4%	-5.0%	142.6%	4.4%
Owen Township	42,423	54,620	52,517	44,972	56,943	28.8%	-3.9%	-14.4%	26.6%
Perry Township	92,105	69,541	58,482	86,446	84,376	-24.5%	-15.9%	47.8%	-2.4%
Ross Township	58,191	59,453	60,304	57,215	63,613	2.2%	1.4%	-5.1%	11.2%
Sugar Creek Township	21,929	22,838	23,233	12,682	10,032	4.1%	1.7%	-45.4%	-20.9%
Union Township	32,470	34,336	34,884	32,109	33,476	5.7%	1.6%	-8.0%	4.3%
Warren Township	26,340	27,746	28,166	15,192	15,232	5.3%	1.5%	-46.1%	0.3%
Washington Township	30,378	31,867	32,582	33,364	34,620	4.9%	2.2%	2.4%	3.8%
Frankfort Civil City	5,511,010	5,380,460	5,609,915	5,928,954	6,009,931	-2.4%	4.3%	5.7%	1.4%
Colfax Civil Town	191,571	199,855	206,285	211,692	221,085	4.3%	3.2%	2.6%	4.4%
Kirklin Civil Town	113,858	121,240	121,266	124,322	131,745	6.5%	0.0%	2.5%	6.0%
Michigantown Civil Town	54,756	55,977	56,981	58,335	61,377	2.2%	1.8%	2.4%	5.2%
Mulberry Civil Town	155,846	160,714	164,694	164,193	175,925	3.1%	2.5%	-0.3%	7.1%
Rossville Civil Town	175,827	186,254	188,729	193,413	203,158	5.9%	1.3%	2.5%	5.0%
Clinton Central School Corp	3,983,347	1,469,660	1,968,381	1,916,673	2,854,553	-63.1%	33.9%	-2.6%	48.9%
Clinton Prairie School Corp	7,114,204	3,238,288	3,231,190	3,207,547	2,999,416	-54.5%	-0.2%	-0.7%	-6.5%
Frankfort Community School Corp	10,379,593	6,368,418	6,647,638	7,938,556	6,500,274	-38.6%	4.4%	19.4%	-18.1%
Rossville Consolidated School Corp	2,617,020	1,399,846	1,290,488	1,187,735	1,502,779	-46.5%	-7.8%	-8.0%	26.5%
Colfax-Perry Township Public Library	138,855	143,640	148,499	141,505	156,398	3.4%	3.4%	-4.7%	10.5%
Frankfort Community Public Library	701,380	728,236	748,959	768,676	804,734	3.8%	2.8%	2.6%	4.7%
Kirklin Public Library	158,683	129,937	112,644	153,278	136,147	-18.1%	-13.3%	36.1%	-11.2%
Clinton County Contractual Public Library	496,153	516,491	530,010	543,443	574,585	4.1%	2.6%	2.5%	5.7%
Frankfort Airport	105,198	112,386	115,791	115,208	124,900	6.8%	3.0%	-0.5%	8.4%
Wildcat Creek Solid Waste Mgmt Dist	35,837	36,867	37,663	45,077	44,559	2.9%	2.2%	19.7%	-1.1%

# Clinton County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
12001	Center Township	1.9330	--	--	18.1396%	--	--	9.3762%	1.4011
12003	Forest Township	1.5250	--	--	18.1396%	--	--	9.3762%	1.1054
12004	Jackson Township	1.4606	--	--	18.1396%	--	--	9.3762%	1.0587
12005	Johnson Township	1.5779	--	--	18.1396%	--	--	9.3762%	1.1437
12006	Kirklin Township	1.6010	--	--	18.1396%	--	--	9.3762%	1.1605
12007	Kirlin Town	2.5107	--	--	18.1396%	--	--	9.3762%	1.8199
12008	Madison Township	1.5080	--	--	18.1396%	--	--	9.3762%	1.0931
12009	Mulberry Town	2.1893	--	--	18.1396%	--	--	9.3762%	1.5869
12010	Michigan Township	1.4979	--	--	18.1396%	--	--	9.3762%	1.0857
12011	Michigantown Town	2.0411	--	--	18.1396%	--	--	9.3762%	1.4795
12012	Owen Township	1.6642	--	--	18.1396%	--	--	9.3762%	1.2063
12013	Perry Township	1.6801	--	--	18.1396%	--	--	9.3762%	1.2178
12014	Colfax Town	3.7386	--	--	18.1396%	--	--	9.3762%	2.7099
12015	Ross Township	1.6219	--	--	18.1396%	--	--	9.3762%	1.1756
12016	Rossville Town	2.2161	--	--	18.1396%	--	--	9.3762%	1.6063
12017	Sugar Creek Township	1.4714	--	--	18.1396%	--	--	9.3762%	1.0665
12018	Union Township	1.8964	--	--	18.1396%	--	--	9.3762%	1.3746
12019	Warren Township	1.5016	--	--	18.1396%	--	--	9.3762%	1.0884
12020	Washington Township	1.4482	--	--	18.1396%	--	--	9.3762%	1.0497
12021	Frankfort City	3.9605	--	--	18.1396%	--	--	9.3762%	2.8707

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Clinton County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	159,957	1,667,300	1,150,483	33,848	3,011,588	30,293,549	9.9%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	159,957	1,667,300	1,150,483	33,848	3,011,588	30,293,549	9.9%
Clinton County	19,642	204,106	140,006	6,021	369,774	6,703,367	5.5%
Center Township	1,875	18,948	13,411	297	34,530	340,111	10.2%
Forest Township	0	0	0	16	16	24,276	0.1%
Jackson Township	0	0	0	16	16	34,726	0.0%
Johnson Township	6	0	0	23	30	53,021	0.1%
Kirklin Township	0	227	0	62	288	83,055	0.3%
Madison Township	5	4	0	28	36	53,090	0.1%
Michigan Township	5	0	0	188	193	202,045	0.1%
Owen Township	10	0	0	4	13	56,943	0.0%
Perry Township	9	594	225	47	876	84,376	1.0%
Ross Township	12	12	0	40	64	63,613	0.1%
Sugar Creek Township	0	0	0	5	5	10,032	0.0%
Union Township	19	0	0	31	51	33,476	0.2%
Warren Township	0	0	0	21	21	15,232	0.1%
Washington Township	0	0	0	20	20	34,620	0.1%
Frankfort Civil City	81,202	820,739	580,920	10,777	1,493,639	6,009,931	24.9%
Colfax Civil Town	547	34,535	13,100	172	48,355	221,085	21.9%
Kirklin Civil Town	0	4,950	0	495	5,445	131,745	4.1%
Michigantown Civil Town	0	4	0	136	141	61,377	0.2%
Mulberry Civil Town	107	83	0	369	560	175,925	0.3%
Rossville Civil Town	0	239	0	385	624	203,158	0.3%
Clinton Central School Corp	50	4,255	0	2,678	6,984	2,854,553	0.2%
Clinton Prairie School Corp	341	13,802	5,199	1,814	21,156	2,999,416	0.7%
Frankfort Community School Corp	48,033	481,895	341,086	7,457	878,472	6,500,274	13.5%
Rossville Consolidated School Corp	239	369	0	901	1,509	1,502,779	0.1%
Colfax-Perry Township Public Library	54	3,438	1,304	90	4,887	156,398	3.1%
Frankfort Community Public Library	5,947	59,659	42,226	923	108,755	804,734	13.5%
Kirklin Public Library	0	987	0	156	1,144	136,147	0.8%
Clinton County Contractual Public Library	37	40	0	411	488	574,585	0.1%
Frankfort Airport	1,688	17,057	12,073	224	31,041	124,900	24.9%
Wildcat Creek Solid Waste Mgmt Dist	131	1,357	931	40	2,458	44,559	5.5%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over. The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.